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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 9, 2010



Mr. Eric York
Moab Salt, LLC
Highway 279 Potash Road
P. O. Box 1208
Moab, Utah 84532

Subject: Surety Review, Intrepid Potash-Moab LLC, Cane Creek Mine, M/019/005, Grand County, Utah

Dear Mr. York:

The Division currently holds a reclamation surety for the Cane Springs mine in the amount of \$6,266,800.00. When it was calculated in 2004, the surety amount was escalated through 2009, so it was due for adjustment. On September 21, 2010 the Division received your revised bond calculations.

The following comments received from Wayne Western need to be addressed before we can approve your revised surety.

- 1 Please include a note on the spreadsheets that demolition material will be disposed of on site and that there will be no dump charges.
- 2 Please include reference for the concrete disposal costs. The Division understands that many of the concrete demolition costs in Means are for small projects (jack hammers) that use equipment that would not be used in a large scale. The reference is needed for a third party to evaluate the bonding costs.

The technical memorandum received with the bond calculations says Intrepid Potash has installed four additional injection/extraction wells and that the costs to reclaim the surface disturbance associated with these areas has been included in the spreadsheets. Are these disturbances included in the current mine plan? If not, please submit an amendment with updated maps and text.



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After the bond calculations are determined technically complete and the Division is prepared to issue final approval, we will ask that you submit two clean copies of the complete amendment that can be inserted into your plan. Upon final approval, we will return one copy stamped "approved" for your records.

Please contact Wayne Western at 801-538-5263 or me at 801-538-5261 if you have questions. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'PBB' followed by a stylized flourish.

Paul B. Baker
Reclamation Biologist
Minerals Regulatory Program

PBB:tm:pb

cc: wstokes@utah.gov

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